

TECHNICAL REVIEW DOCUMENT
for
MODIFICATION TO OPERATING PERMIT 04OPAD270

Public Service Company of Colorado – Blue Spruce Energy Center
Adams County
Source ID 0011354

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I. Purpose:

This document establishes the decisions made regarding the requested modification to the Operating Permit for Public Service Company of Colorado's (PSCo) Blue Spruce Energy Center. This document provides information describing the type of modification and the changes made to the permit as requested by the source and the changes made due to the Division's analysis. This document is designed for reference during review of the proposed permit by EPA and for future reference by the Division to aid in any additional permit modifications at this facility. The conclusions made in this report are based on the information provided in the request for modification submitted to the Division on May 13, 2011, e-mail correspondence and telephone conversations with the source. This narrative is intended only as an adjunct for the reviewer and has no legal standing.

Any revisions made to the underlying construction permits associated with this facility made in conjunction with the processing of this operating permit application have been reviewed in accordance with the requirements of Regulation No. 3, Part B, Construction Permits, and have been found to meet all applicable substantive and procedural requirements. This operating permit incorporates and shall be considered to be a combined construction/operating permit for any such revision, and the permittee shall be allowed to operate under the revised conditions upon issuance of this operating permit without applying for a revision to this permit or for an additional or revised construction permit.

II. Description of Permit Modification Request/Modification Type

The Operating Permit for the Blue Spruce Energy Center was issued on January 1, 2003 and renewed on January 1, 2011. PSCo recently acquired the Blue Spruce Energy Center. During a review of the facility PSCo discovered equipment at the facility that was not identified in the permit, most of which qualify as insignificant activities. Although all of the equipment identified during this review would normally qualify as an insignificant activity (emissions below the APEN de minimis level), the cold cleaner solvent vat is subject to requirements in Colorado Regulation No. 7 and the gasoline storage tank is

subject to the requirements in 40 CFR Part 63 Subpart CCCCCC. Therefore, under the “catch-all” in Colorado Regulation No. 3, Part C, Section II.E the cold cleaner solvent vat and gasoline storage tank cannot be considered insignificant activities. PSCo submitted a request to modify the permit on May 13, 2011 to incorporate the previously unidentified equipment into the Title V permit.

In addition, in their May 13, 2011 application PSCo requested that the PM and PM₁₀ emission factors for the turbines when burning distillate oil be revised to reflect the results of performance tests conducted in April 2011.

Colorado Regulation No. 3, Part C, Section X.A identifies those modifications that can be processed under the minor permit modification procedures. Specifically, minor permit modifications “are not otherwise required by the Division to be processed as a significant modification” (Colorado Regulation No. 3, Part C, Section X.A.6).

The Division requires that “any change that causes a significant increase in emissions” be processed as a significant modification (Colorado Regulation No. 3, Part C, Section I.A.7.a). According to Part G of Regulation No. 3 (Section I.L, revisions adopted July 15, 1993, Subsection I.G for modifications) the Division considers that a significant increase in emissions is an increase above the PSD significance levels. Both the cold cleaner solvent vat and the gasoline storage tank have emissions below the APEN de minimis level (1 ton/yr of VOC), which is well below the PSD significance level of 40 tons/yr of VOC.

Colorado Regulation No. 3, Part C, Section I.A.7.b specifies that “any change that is considered a modification under Title I of the Federal Act” be processed as a significant permit modification. Appendix G of Regulation 3 describes more specifically what constitutes a modification under Title I of the Federal Act and Appendix G (Section I.L, revisions adopted July 15, 1993, Subsection I.G for modifications) indicates that a modification which triggers 112 requirements (e.g. NESHAP requirements, such maximum achievable control technology (MACT) requirements for major sources and generally achievable control technology (GACT) requirements for area sources) is considered a Title I modification. As previously stated, the 300 gal gasoline tank is subject to requirements in 40 CFR Part 63 Subpart CCCCCC, National Emission Standards for Hazardous Air Pollutants for Source Category: Gasoline Dispensing Facilities. Since the tank, which is considered a gasoline dispensing facility (GDF), has a monthly throughput less than 10,000 gallons, the GDF is subject to work practice requirements. In accordance with Division policy (PS Memo 99-06, revised February 27, 2008) the Division considers that public comment would not be required for area sources that are subject to non-substantive MACT requirements, such as recordkeeping or work practice requirements. Therefore, since public comment would not be required if this GDF were processed as a construction permit and because the GACT requirements are not substantive (i.e. not an emission limitation, control requirement or design restriction), the Division

considers that incorporating these provisions into the Title V permit qualifies as a minor modification.

III. Modeling

The emission sources associated with this modification have insignificant emissions (emissions less than the significance level); therefore, modeling is not warranted.

IV. Discussion of Modifications Made

Source Requested Modifications

The Division addressed the source's requested modifications as follows:

Section I

- The cold cleaner solvent vat and the 300 gal gasoline tank were included in the general facility description in Condition 1.1 and in the table in Condition 6.1.

Section II.1

- The PM and PM₁₀ emission factors for the turbines, when burning distillate oil, were revised to reflect the results of the performance tests conducted in April 2011. In addition, as requested in their comments on the draft permit (submitted on June 2, 2011), the PM and PM₁₀ emissions factors for the turbines, when burning natural gas were revised to reflect the results of the performance tests conducted on

Section II.4

- The relevant requirements for the cold cleaner solvent were added to "new" Condition 4.

Section II.5

- The relevant requirements for the 300 gal gasoline tank were added to "new" Condition 5.

PSCo's proposed language for the 40 CFR Part 63 Subpart CCCCCC requirements included the compliance date (existing source's must comply by January 10, 2011). Since the compliance date has passed, it has not been included, nor has the requirements in § 63.11116(c) (specifies that the source must comply with requirements by the compliance date).

Since this tank is less than 550 gallons, the requirements in Colorado

Regulation No. 7, Section VI.B.3 do not apply since this tank is less than 550 gallons (see Regulation No. 7, Section VI.B.3.b.(i)).

Appendices

- The insignificant activity list was updated as requested.
- The cold cleaner solvent vat and 300 gasoline tank were included in the tables in Appendices B and C.

Other Modifications

In addition to the requested modifications made by the source, the Division used this opportunity to include changes to make the permit more consistent with recently issued permits, include comments made by EPA on other Operating Permits, as well as correct errors or omissions identified during inspections and/or discrepancies identified during review of this modification.

The Division has made the following revisions, based on recent internal permit processing decisions and EPA comments on other permits, to the Blue Spruce Energy Center Operating Permit with the source's requested modifications. These changes are as follows:

Section II.1

- Revised the VOC emissions factors to reflect the specific emission factor for each unit.

Appendices

- Changed the Division contact for reports in Appendix D.